

2020 -- H 7584

LC004373

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

RELATING TO HUMAN SERVICES -- CHILD CARE - STATE SUBSIDIES

Introduced By: Representatives Diaz, Caldwell, Slater, Casimiro, and Blazejewski

Date Introduced: February 13, 2020

Referred To: House Finance

It is enacted by the General Assembly as follows:

SECTION 1. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child Care - State Subsidies" is hereby amended to read as follows:

40-6.2-1.1. Rates established.

(a) Through June 30, 2015, subject to the payment limitations in subsection (c), the maximum reimbursement rates to be paid by the departments of human services and children, youth and families for licensed childcare centers and licensed family childcare providers shall be based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
_____	MARKET RATE
INFANT	\$182.00
PRESCHOOL	\$150.00
SCHOOL AGE	\$135.00
LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
PROVIDERS	MARKET RATE
INFANT	\$150.00
PRESCHOOL	\$150.00
SCHOOL AGE	\$135.00

Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum

1 ~~reimbursement rates to be paid by the departments of human services and children, youth and~~
2 ~~families for licensed childcare centers and licensed family childcare providers shall be based on~~
3 ~~the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the~~
4 ~~average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be~~
5 ~~increased by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family~~
6 ~~childcare providers and license exempt providers and then the rates for all providers for all age~~
7 ~~groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,~~
8 ~~licensed childcare centers shall be reimbursed a maximum weekly rate of one hundred ninety~~
9 ~~three dollars and sixty four cents (\$193.64) for infant/toddler care and one hundred sixty one~~
10 ~~dollars and seventy one cents (\$161.71) for preschool age children.~~

11 (b) ~~Effective July 1, 2018, subject to the payment limitations in subsection (c), the~~
12 ~~maximum infant/toddler and preschool age reimbursement rates to be paid by the departments of~~
13 ~~human services and children, youth and families for licensed childcare centers shall be~~
14 ~~implemented in a tiered manner, reflective of the quality rating the provider has achieved within~~
15 ~~the state's quality rating system outlined in § 42-12-23.1.~~

16 (1) ~~For infant/toddler childcare, tier one shall be reimbursed two and one half percent~~
17 ~~(2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above~~
18 ~~the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY~~
19 ~~2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018~~
20 ~~weekly amount, and tier five shall be reimbursed thirty three percent (33%) above the FY 2018~~
21 ~~weekly amount.~~

22 (2) ~~For preschool reimbursement rates, tier one shall be reimbursed two and one half~~
23 ~~(2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)~~
24 ~~above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY~~
25 ~~2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018~~
26 ~~weekly amount, and tier five shall be reimbursed twenty one percent (21%) above the FY 2018~~
27 ~~weekly amount.~~

28 (c) [Deleted by P.L. 2019, ch. 88, art. 13, § 4].

29 (d) ~~By June 30, 2004, and biennially through June 30, 2014, the department of labor and~~
30 ~~training shall conduct an independent survey or certify an independent survey of the then current~~
31 ~~weekly market rates for childcare in Rhode Island and shall forward such weekly market rate~~
32 ~~survey to the department of human services. The next survey shall be conducted by June 30,~~
33 ~~2016, and triennially thereafter. The departments of human services and labor and training will~~
34 ~~jointly determine the survey criteria including, but not limited to, rate categories and sub-~~

1 ~~categories.~~

2 ~~(e) In order to expand the accessibility and availability of quality childcare, the~~
3 ~~department of human services is authorized to establish by regulation alternative or incentive~~
4 ~~rates of reimbursement for quality enhancements, innovative or specialized childcare and~~
5 ~~alternative methodologies of childcare delivery, including non-traditional delivery systems and~~
6 ~~collaborations.~~

7 ~~(f) Effective January 1, 2007, all childcare providers have the option to be paid every two~~
8 ~~(2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of~~
9 ~~reimbursement payments.~~

10 (g) Findings. The general assembly finds that:

11 (1) Working parents struggle to afford the cost of high-quality child care that promotes
12 the learning and development of young children before they enter kindergarten as well as high-
13 quality after school and summer programs for school-age children. According to data collected in
14 the 2018 Rhode Island Child Care Market Rate Survey, the average cost for full-time child care
15 for an infant in a child care center exceeds the in-state tuition for both Rhode Island College and
16 the University of Rhode Island.

17 (2) Young children need access to consistent nurturing care and high-quality early
18 learning opportunities starting in infancy and continuing through early childhood in order to
19 develop to their full potential. Children from low-income families often enter school behind their
20 more affluent peers. As of January 2019, only eight percent (8%) of infants and toddlers and
21 twelve percent (12%) of preschoolers in the Child Care Assistance Program were enrolled in a
22 high-quality program at tier (4) or tier (5) in the state's Quality Rating and Improvement System.

23 (3) School-age children also need access to nurturing care and enriching learning
24 opportunities after school and during the summer months to maintain and strengthen academic
25 skills, develop friendships, practice positive social skills, and explore their interests. As of
26 January 2019, only nine percent (9%) of tier (4) or tier (5) in the state's Quality Rating and
27 Improvement System.

28 (4) The rates the state pays child care programs to serve eligible children in the Child
29 Care Assistance Program affects the quality of the entire program for all children enrolled. It is
30 the intention of the general assembly that rates shall meet or exceed the federal standards for
31 equal access to child care and support quality improvement.

32 (h) Effective July 1, 2020, the reimbursement rates to be paid by the departments of
33 human services and children, youth and families for licensed child care centers and family child
34 care homes shall be tiered to promote quality improvement in the state's Quality Rating and

1 Improvement System and shall meet or exceed the federal child care equal access provision
 2 established in the bi-partisan Child Care an Development Block Grant enacted in 2014. Rates for
 3 tier (1) providers shall meet or exceed the 25th percentile and rates for tier (5) providers shall
 4 meet or exceed the 75th percentile of the most recent market rate survey. Rates for providers at
 5 tiers (2), (3), and (4) shall incrementally increase between the tier (1) and tier (5) rates:

6 (i) Effective July 1, 2020, the minimum rates paid by the departments of human services
 7 and children, youth and families for licensed child care centers shall be:

8 <u>Age Category</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>
9 <u>Infant/Toddler</u>	<u>\$222.38</u>	<u>\$226.83</u>	<u>\$240.17</u>	<u>\$249.07</u>	<u>\$257.54</u>
10 <u>Preschool</u>	<u>\$187.50</u>	<u>\$191.25</u>	<u>\$210.00</u>	<u>\$221.25</u>	<u>\$230.00</u>
11 <u>School-Age</u>	<u>\$148.50</u>	<u>\$151.47</u>	<u>\$170.78</u>	<u>\$185.63</u>	<u>\$198.75</u>

12 ~~(e)~~(j) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid
 13 by the departments of human services and children, youth and families for licensed family
 14 childcare providers shall be implemented in a tiered manner, reflective of the quality rating the
 15 provider has achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one
 16 shall be reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2
 17 providers, three percent (3%) above prevailing base rate for step 3 providers, and four percent
 18 (4%) above the prevailing base rate for step 4 providers; tier two shall be reimbursed five percent
 19 (5%) above the prevailing base rate; tier three shall be reimbursed eleven percent (11%) above
 20 the prevailing base rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing
 21 base rate; and tier five shall be reimbursed twenty-three percent (23%) above the prevailing base
 22 rate.

23 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO HUMAN SERVICES -- CHILD CARE - STATE SUBSIDIES

- 1 This act would create the reimbursement rates to be paid by the department of human
- 2 services and the department of children, youth and families for licensed child care centers and
- 3 family child care homes which would be tiered to promote quality improvements in child care.
- 4 This act would take effect upon passage.

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